

Update To Code For Credit/Debit

The Code of Conduct for the Credit and Debit Card industry was updated in April of 2015. Some of the changes took effect immediately others are to take effect in February of 2016 .Here is a list and short explanation the first 2 are the ones that will have the biggest impact for most businesses:

Effective in February 2016

- **Notices of fee increases must describe the nature of fee changes and the change must be clearly identifiable in the merchant's subsequent statement. All "related" contracts including leases are included in the merchant's right to cancel without penalty.** Translation, this is to put an end to the practice of giving notice of a "possible change in fees" without saying what the change will be then putting the change through without identifying the it on a hard to read statement. If you cancel due to a rate increase you can't be charged fees for a separate debit processing contract or lease for a terminal.
- **Renewal terms with be disclosed in a clear simple and not misleading way and automatically renewing contracts can renew for a maximum of 6 months.** Translation, all processing contracts auto renew some for as long as 8 years meaning if you want to cancel and you don't give notice in time you will have to pay a cancellation fee in some cases their estimated fees for the remainder of the term. Merchants can cancel any time prior to 90 days before expiry of the contract. Which puts an end to the practice of giving a window to cancel (not more than 90 days not less than 60 days) and standardizes requirements across the industry.
- **Merchants can't be forced to accept debit cards from any network they accept credit cards from.** Translation, if you accept Visa & MasterCard credit cards you don't have to accept their debit cards.

Contact Info

Welland/St.Catharines: (905) 714 1487 Hamilton: (905) 317 5560
Niagara Falls: (289) 271 8749 Toll Free: (800) 946 2347
email: info@smallbizassist.ca fax: (905) 714 1487

- **Discounts will be allowed for any payment method as well as payment card networks.** Translation, businesses have had the right to give discounts for certain types of payment for instance you can give a discount for paying in cash or by debit, now you can also give a discount for paying by Visa instead of MasterCard or Visa & MasterCard instead of Amex etc.
- **Can't have more than one competing network on debit card and they can't have applications from more than one network to process each type of domestic transaction such as point of sale, Internet, phone etc.** Translation, they don't want one card being used for MasterCard, Visa, Interac, etc. I suspect this is to protect the Interac network in Canada.
- **Credit and debit cards can't be on the same card.** Translation, easy one you can't have one card that is both a credit and debit card, to protect consumers from confusion.
- **Premium cards can only be given to customers who specifically apply for them and the application must include a disclosure that premium cards can impose a higher cost on merchants.** Translation, they don't want the banks to start issuing a bunch of premium cards that cost the merchants more and they want customers to know these cards cost the merchants more to process.

Contact Info

Welland/St.Catharines: (905) 714 1487 Hamilton: (905) 317 5560
Niagara Falls: (289) 271 8749 Toll Free: (800) 946 2347
email: info@smallbizassist.ca fax: (905) 714 1487

**SmallBiz
Assist**

**Helping Small
Business Prosper**

www.smallbizassist.ca

Contact Info

Welland/St.Catharines: (905) 714 1487 Hamilton: (905) 317 5560
Niagara Falls: (289) 271 8749 Toll Free: (800) 946 2347
email: info@smallbizassist.ca fax: (905) 714 1487